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COUNTRY PROGRAMMES AND RELATED MATTERS

Case-by-case approval of programmes and projects for Aruba, Barbados, British Virgin Islands, Netherlands Antilles, Suriname and Trinidad and Tobago

Note by the Administrator

I. PURPOSE

1. The present note is intended to provide updated information to the Board on the status of the country programmes for Aruba, Barbados, British Virgin Islands, Netherlands Antilles, Suriname and Trinidad and Tobago. Extensions of these country programmes were approved by the Administrator for a period of one year, to December 1992, and subsequently for a second year, to December 1993. Several difficulties in the preparation of these programmes have precluded their finalization and submission to the Board. To allow for the smooth continuance of operations at the country level and to provide sufficient time for the finalization of the country programmes, case-by-case approval is being recommended.

II. JUSTIFICATION

Barbados and British Virgin Islands

2. Barbados and the British Virgin Islands graduated from recipient country status to become net contributor countries (NCCs) at the beginning of the fifth programming cycle. The achievement of NCC status implies that while these countries were assigned small indicative planning figures (IPFs), the IPFs are fully reimbursable (see annex). In addition, all UNDP country office costs (except those of the Resident Representative, and, under some conditions, a Deputy Resident Representative) are subject to reimbursement by the host Government.

3. The graduation to NCC status for these countries coincided with severe financial constraints resulting from national structural adjustment and reform programmes. The negotiations between the Governments and UNDP, therefore, are taking place within the context of difficult economic conditions. Additionally, in the Governments' view, the very limited IPFs do not provide for meaningful technical cooperation programmes. Hence, the development of country programmes has been protracted as efforts continue to secure supplementary financial resources from the Governments themselves, as well as from other donors. The respective Governments have agreed in principle to provide cost-sharing of the programmes in varying degrees.

Suriname

4. Suriname was classified as a net contributor at the beginning of the fifth cycle; however, recent data suggest that there is likely to be a downward revision in the level of per capita gross national product and a return to recipient country status from 1989 in accordance with Governing Council decision 91/29. The difficult economic and social conditions facing Suriname have prompted the Government to consider implementing a stabilization and structural adjustment programme, on which discussions have been taking place for quite some time. Parliament has recently adopted its 1994-1998 development plan, which sets out the Government's economic and social policies for the period. The plan will provide the basis for negotiation of UNDP technical cooperation support within the context of national development objectives. The Government has committed to cost-sharing for the country programme in the fifth cycle.

Aruba and Netherlands Antilles

5. Aruba and the Netherlands Antilles graduated to NCC status in the fourth and fifth cycles. Both countries have met their obligations for the fourth cycle and have indicated that they will meet those for the fifth cycle. Negotiations between the Governments of Aruba and the Netherlands Antilles are nearing completion but have been delayed on account of national elections in both countries. The Governments have committed cost-sharing resources for the programmes and good indications have been given with regard to the utilization of these resources during the fifth cycle. However, additional time is required to ensure that the principles relating to the programme-oriented approach established in General Assembly resolution 44/211 and the areas of focus specified in Governing Council decision 90/34 are respected in the most practical and cost-effective manner possible.

Trinidad and Tobago

6. Trinidad and Tobago is classified as a recipient country for the fifth cycle, having had its fourth cycle NCC status waived in June 1993. The delay in determining the classification of Trinidad and Tobago in the fourth cycle, and therefore its obligations, hindered the formulation of a fifth cycle programme. In addition, given that Trinidad and Tobago receives very little grant support from the international donor community, the limited IPF for the fifth cycle has made the development of a meaningful technical cooperation programme extremely difficult.

7. In contrast to the fourth cycle, under which cost-sharing resources were mobilized, the Government of Trinidad and Tobago has indicated that it is not in a position to provide cost-sharing to any significant extent for the country programme in the fifth cycle. Notwithstanding strong policy efforts and the adoption of the Government's strategy for restructuring the economy, the start of the fifth cycle has coincided with weak economic performance.

8. Negotiations have just been concluded between UNDP and the Government on the broad areas for the strategic and catalytic use of the IPF resources.

III. EXECUTIVE BOARD ACTION

9. The Executive Board may wish to:

Authorize the Administrator to provide assistance on a case by-case basis, pending the submission of country programmes, to Aruba, Barbados, the British Virgin Islands, Netherlands Antilles, Suriname and Trinidad and Tobago.

Annex

INDICATIVE PLANNING FIGURES FOR BARBADOS, BRITISH VIRGIN ISLANDS, SURINAME

	Barbados	British Virgin Islands	Suriname
		(Thousands of dollars)	
Fourth cycle IPF (1987-1991)	1477	258	2068
Fifth cycle IPF (1992-1996)	641	112	897